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ASX/MEDIA ANNOUNCEMENT

EXPLORATION UPDATE: SIGNIFICANT RESULTS FROM RAVENSTHORPE AND GOLDEN RIDGE PROJECTS

HIGHLIGHTS

Ravensthorpe

- Preliminary results received from 4 RC drill holes.
- A broad zone of disseminated copper mineralisation with significant gold credits identified
- Intercepts included;
 - **11m at 1.06% Cu and 0.31g/t Au**
 - **5m at 1.27% Cu and 0.57g/t Au**
 - **1m at 9.56% Cu and 53.8g/t Au**
- Early potential evident for an open pit mining proposition.

Golden Ridge

- RAB drilling programme of 80 holes for 3,640m completed.
- Significant intercepts included;
 - **2m at 0.69% Ni and 0.08% Cu**
- Two new ultramafic contact surfaces identified and a third accurately located.
- A further 60 holes (RAB) are being drilled at the ultramafic contacts.

Pioneer Nickel is pleased to provide an update from recent exploration activities at the Company's Ravensthorpe JV copper gold project and the Golden Ridge JV nickel project.

1. Ravensthorpe Project

- *Pioneer has a right to earn up to 85% in all minerals (except tantalum and lithium on certain tenements) by expending \$0.5 million on exploration.*

Very encouraging preliminary results have been received from the first 4 shallow reverse circulation ("RC") drill holes drilled at the historic Desmond Mine. In each hole, encouraging intercepts of disseminated chalcopyrite were recorded. Drill holes were restricted to between 20 and 40m in depth due to hard rock conditions. A more suitable drilling rig has been contracted to continue this programme during November 2006.

Significant results are listed in Table 1 below, and collar locations shown on figure 1.

Table 1 Significant Drilling Results: Ravensthorpe Joint Venture								
Prospect	Hole ID	East (m)	North (m)	From (m)	To (m)	Intercept (m)	Cu (%)	Au (g/t)
Mt Desmond	ELV_09_06_001	235,370	6,276,371	13	18	5	1.27	0.57
	including			14	16	2	2.19	1.15
Mt Desmond	ELV_09_06_002	235,366	6,276,329	18	22	4	1.56	0.36
				26	27	1	9.56	53.8
Mt Desmond	ELV_09_06_003	235,397	6,276,304	10	14	4	0.74	0.34
	including			20	21	1	1.49	2.02
				19	30	11	1.06	0.31
Mt Desmond	ELV_09_06_004	235,400	6,276,260	19	20*	1	1.01	0.48

* End of hole – Old working intersected.

- Assays were completed by Kalassay Group using a 4 acid digest and ICP-OES finish. Check assays have not been performed.
- Company standards were not submitted with these samples. Material from this drilling programme will be used to manufacture standards for internal Company quality control.
- True thicknesses of mineralised intercept could be less than that noted.
- Collar coordinates are MGA 94 (zone 51).

These results, in conjunction with old mine information, confirm that the narrow, high grade ore mined during the 1960s at Mt Desmond has an accompanying broad zone of disseminated copper mineralisation with significant gold credits, that could form the basis for an open pit mining operation when fully quantified.

The four completed holes for 133m were the first of a planned 7,000m of drilling, which will test the old workings on sections spaced at 80m intervals. Clearing Permit applications have been lodged and additional botanic surveys will also be completed in preparation for future drilling.

The Ravensthorpe Project is a joint venture with unlisted Galaxy Resources Limited ("Galaxy"), with tenements located near the town of Ravensthorpe, Western Australia.

2. Golden Ridge Project

- Pioneer has the right to earn an initial interest of 51% (by expending \$2.25 million on exploration) and up to 80% in the nickel mineral rights at the Golden Ridge Project.

Results from the August RAB drilling programme at the Golden Ridge Project have now been received.

The RAB programme, which totalled 80 holes for 3,640m, was designed solely to provide geological information in an area where Pioneer geologists suspected that ultramafic contact surfaces were present, but unrecognised. The basal ultramafic contact is commonly where nickel sulphide mineralisation occurs. Drill traverses were widely spaced at 200m intervals.

The drilling programme was very successful in that two new ultramafic contact surfaces were identified and a third accurately located.

As an additional bonus, **2m at 0.69% Ni and 0.08% Cu** was returned from a drill hole located adjacent to one of the newly identified ultramafic contacts, as shown in Figure 2 (see below).

Pioneer has resumed RAB drilling to provide further details of the ultramafic contacts. This round of drilling comprises 60 holes.

RC drilling will also commence in early November at Blair South, with 3,000m contracted. 14 holes will test for extensions to the Blair South resource recently announced, with a further 8 holes systematically testing beneath geochemical anomalies from shallow drilling located to the south of the resource.

The Golden Ridge Project is a joint venture with Australian Mines Limited (ASX: AUZ) located 2.8km south of the operating Blair nickel mine (AUZ owned and operated).

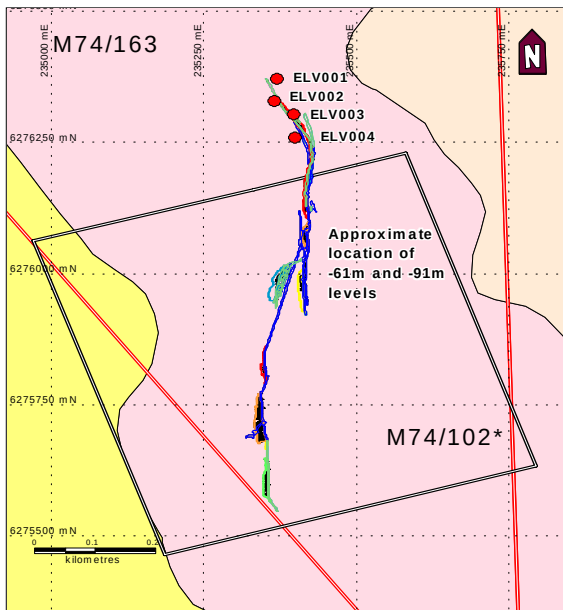


Figure 1 Summary Plan for the Elverdtton-Mt Desmond Mine Area.

M74/163 is a granted mining lease held by Galaxy and is a key tenement in the Ravensthorpe JV.

* M74/102 is held by Paxton Enterprises Pty Ltd for the purpose of processing tailings, and is confined to a depth of 15m. Galaxy is a party to the "Tailings Agreement" for M74/102 as assigned, whereby Galaxy has the right to all ores and minerals below 1m below the Tailings, which includes within the 15m.

M74/163 provides secure tenure to Galaxy beneath M74/102.

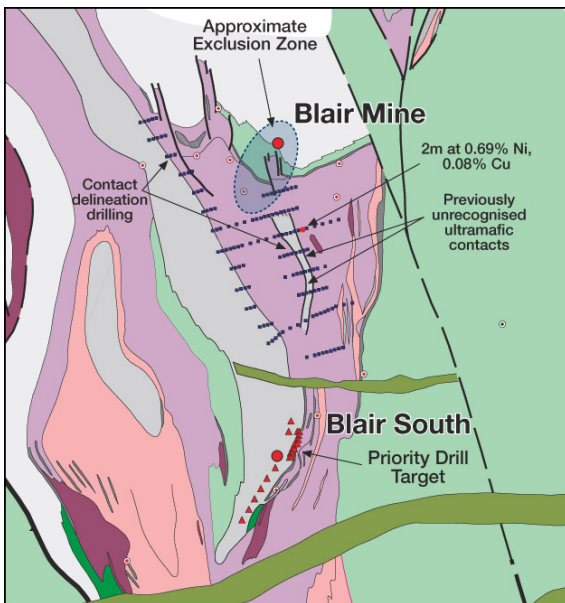


Figure 2. Summary Map for the Golden Ridge Project, including outcomes of the recent RAB Drilling Programme.

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The information within this report as it relates to geology and mineralisation was compiled by Mr David Crook who is a full time employee of Pioneer Nickel Limited, is a Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and is a Competent Person as defined in the Joint Ore Reserves Committee (JORC) of the AUSIMM, with over 20 years experience in the minerals industry including the activity reported. This person consents to the inclusion of this information in the form and context in which it appears in this report.